

# NTA and Monthly Report

October 2024

## Business Overview

BKI is a research driven, Listed Investment Company, investing for the long term in profitable, high yielding, well managed companies. Listed on the Australian Securities Exchange (BKI.ASX) and managed by Contact Asset Management, an investment in BKI gives shareholders access to a diversified Australian equity portfolio. BKI's Board & Portfolio Managers are shareholders in BKI. We invest for the long term and focus on creating wealth for all shareholders through capital growth, increasing fully franked dividends and by keeping costs low.

## Monthly Portfolio Commentary

The S&P/ASX 300 Accumulation Index was 24.9% higher at the end of October 2024. The Small Ordinaries continued to lead the way with a return of 0.8% for the month. The S&P/ASX 20 Index fell 1.2%, while the S&P/ASX Midcap 50 fell 2.5%. Despite this pullback, the S&P/ASX 300 Accumulation Index return for the year ended 31 October 2024 was 24.9%. Financials were the best performing sector, returning 3.3% for the month. Healthcare and Communications were the only other sectors in the black, up 0.7% and 0.6% respectively. Utilities and Consumer Staples were the worst performing sectors, down 7.2% and 6.9% respectively.

BKI's exposure to Financials through Commonwealth Bank, now the largest position in the BKI Portfolio with a weighting of 8.20% and National Australia Bank with a 6.3% portfolio weight led the performance of our major holdings. It was however a poor month for the retailers, with some mixed quarterly reports being delivered in October. The Consumer Staples sector fell 6.89% and Consumer Discretionary fell 3.9%. BKI's exposure to retail through Wesfarmers, down 4.6%, Woolworths, down 10.6% Coles down 2.6%, ARB Corporation down 12.7%, Harvey Norman, down 5.2% and Metcash down 15.7% dragged on BKI's monthly performance. BKI's portfolio performance for October was negative 2.7%. As at 31 October 2024, BKI's 1 year portfolio performance was positive 18.1%, inclusive of dividends and franking credits.

In recent weeks, key factors influencing global and domestic markets have been the direction of interest rates, the US election and escalating tensions in the Middle East - each having a substantial impact on investor sentiment. The outlook for Global and Australian markets remains finely balanced.

With no RBA Board meeting in October and retail commentary and trade data showing notable softness, investors are increasingly questioning when the RBA might be compelled to step in and provide support. In the US, equity market valuations are constantly shifting. Investors clearly positioning themselves in certain "winner" stocks in response to the shifting dynamics of the presidential race. Meanwhile, the unrest in the Middle East has driven a flight to safety, with investor capital flowing into gold, bonds, and safe-haven currencies, even newer assets like Bitcoin.

## Company Overview

ASX Code	BKI.ASX
Mandate	Australian Listed Equities
Market Capitalisation	\$1,384m
Investment Portfolio	\$1,399m
Cash & Cash Equivalents	\$106m
Debt	\$0
Rolling 12 Month Dividend**	7.85cps
DRP	Active

## Net Tangible Assets (NTA)

BKI Share Price	\$1.715
Pre-Tax NTA	\$1.86
Post Tax NTA	\$1.72

Historical Grossed  
Up Dividend Yield \*

**6.5%**

As at 31 October 2024

20Yr Total  
Shareholder Returns^

**10.0% pa**

As at 31 October 2024

Management  
Fee

**0.10%**

Contact Asset Management

No  
Performance  
Fees

Total Portfolio  
Including Cash

**\$1,506m**

As at 31 October 2024

Lonsec Recommended Rating



\*Grossed up yield includes franking credits and is based on a tax rate of 30%. Includes FY2024 Interim Dividend of 3.85cps and FY2024 Final Dividend of 4.00cps and is based on share price as at 31/10/2024. ^Includes Franking Credits

## Board of Directors

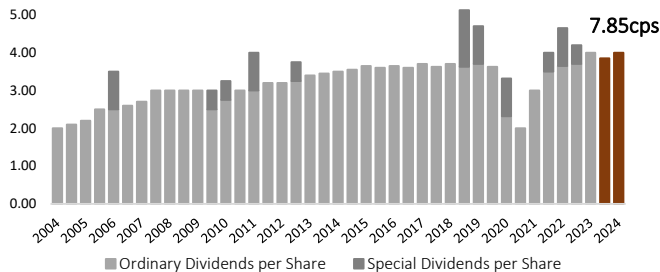
Robert Millner AO (Chair), Alex Payne, David Hall AM, Ian Huntley, Jacqui Clarke, Amanda Wong (Company Secretary).

## Investment Management

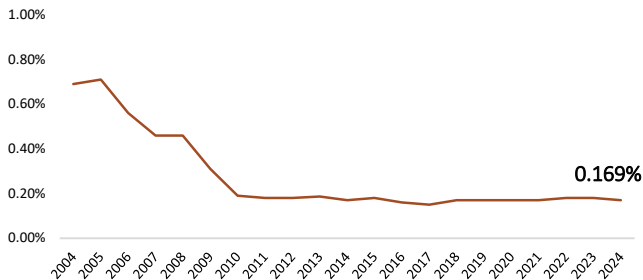
Tom Millner (Portfolio Manager), Will Culbert (Portfolio Manager), Rob Horne (Investment Analyst).

## Investor Focused

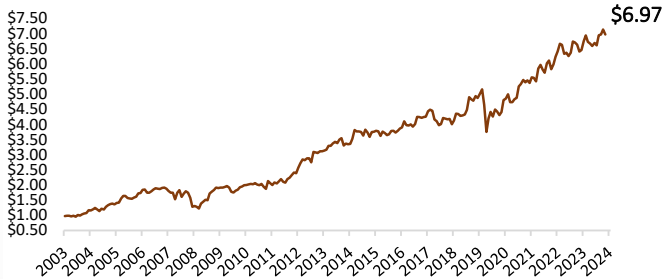
**Fully Franked Dividends** - BKI has a strong 20-year history of paying fully franked dividends and offering an attractive yield. BKI's FY2024 Dividends of 7.85cps was up 2% on FY2023 and was BKI's highest full year ordinary dividends paid in the 20 years of being listed on the ASX.



**Management Expense Ratio (MER)** – BKI offers a very competitive fee structure, with an external, active Management Fee of 0.10% and a total MER of only 0.169%.



**Cumulative Share Price Returns** - Assuming all dividends were reinvested and using the full benefit of franking credits, since IPO on 12<sup>th</sup> December 2003, the cumulative share price of BKI shares was \$6.97 per share as at 31 October 2024.



Company	% of Total Portfolio
1 Commonwealth Bank	8.2%
2 BHP Group	8.2%
3 Macquarie Group	7.6%
4 National Australia Bank	6.3%
5 APA Group	4.5%
6 Wesfarmers Limited	4.3%
7 New Hope Corporation	4.2%
8 Woodside Energy Group	3.5%
9 Telstra Group Limited	3.4%
10 Harvey Norman Holdings	3.1%
11 Transurban Group	2.9%
12 ARB Corporation	2.7%
13 Suncorp Group	2.5%
14 Woolworths Limited	2.4%
15 Goodman Group	2.3%
16 Sonic Healthcare	2.3%
17 Amcor	2.2%
18 Aurizon Holdings	1.9%
19 Dalrymple Bay Infrastructure	1.8%
20 Stockland	1.7%
21 TPG Telecom Limited	1.7%
22 Ramsay HealthCare	1.5%
23 Coles Group	1.3%
24 Mirvac Limited	1.3%
25 Yancoal Australia	1.1%
Cash and cash equivalents	7.1%
<b>Total of Top 25 plus Cash and cash equivalents</b>	<b>90.0%</b>

## Contact Us



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BKI Performance 31 October 2024	1 Year	3 Years (pa)	5 Years (pa)	10 Years (pa)	15 Years (pa)	20 Years (pa)
BKI Portfolio Performance	18.1%	10.4%	8.8%	7.9%	8.8%	9.4%
BKI Total Shareholder Returns (TSR)	6.8%	6.4%	5.2%	5.5%	6.9%	7.6%
<b>BKI Total Shareholder Returns – 100% Franked</b>	<b>8.9%</b>	<b>8.5%</b>	<b>7.2%</b>	<b>7.5%</b>	<b>9.0%</b>	<b>10.0%</b>

Source: Contact Asset Management, Factset. BKI Portfolio Performance is measured by change in pre-tax NTA and is after all operating expenses, provision and payment of both income and capital gains tax and the reinvestment of dividends and includes franking. TSR includes the reinvestment of dividends. TSR including franking credits are based on BKI's dividends being fully franked. Past performance is generally not indicative of future performance. The material contained within the BKI Investment Company Limited NTA and Monthly Report (The Report) has been prepared by Contact Asset Management (AFSL 494045). Figures referred to in The Report are unaudited. The Report is not intended to provide advice to investors or take into account an individual's financial circumstances or investment objectives. This is general investment advice only and does not constitute advice to any person. The opinions within The Report are not intended to represent recommendations to investors, they are the view of Contact Asset Management as of this date and are accordingly subject to change. Information related to any company or security is for information purposes only and should not be interpreted as a solicitation of offer to buy or sell any security. The information on which The Report is based has been obtained from sources we believe to be reliable, but we do not guarantee its accuracy or completeness. Investors should consult their financial adviser in relation to any material within this document.